

SECRET

29 August 1949

CFB

OGC HAS REVIEWED.

Office of General Counsel

Payment of Premiums or Cost of Surety Bonds

REF: "Authorization for Payment of Premiums or Costs of Surety Bonds" set forth in memorandum from the Budget Officer to the Executive, CIA, under date of 5 August 1949, approved by the DCI, under date of 9 August 1949.

314C - Signature

1. Reference is made to your memorandum to this office dated 22 August 1949, same subject as above. You state that the authorization referenced by you is believed to require further clarification, and perhaps amendment, prior to effecting the payments which you assume Congress and the Director intended to authorize. Possibly it would be helpful if we furnished you our opinion of the amounts which you are authorized to pay under the authorization dated 5 August 1949 which was signed by the Director as of 9 August 1949.

2. Paragraph 3 of the above mentioned authorization states, "Since some bond premiums will be due in the near future, it is desired to obtain authorization from the Director to effect payment from CIA funds". It is our opinion that since the Director signed the memorandum on 9 August 1949, you are not authorized to pay any premiums which have been paid prior to that date. There does not appear to be any intent in the memorandum, as worded and approved, to make payments contemplated in paragraph 5 of your memorandum. While this office might see no legal objection to such payments, based on an appropriately worded authorization by the Director, there appears to be a question of policy concerned which should be resolved.

3. In connection with effective dates, you are advised that P.L. 110 was approved on 20 June 1949. Therefore, there appears to be no legal objection to payment of bond premiums or costs after that date. The present authorization by the Director would, of course, require amendment to reflect an intent that such date should be the effective date.

4. In view of the above, your memorandum and attachments are returned herewith for such action as you deem appropriate.

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Assistant General Counsel

cc: Subject ✓
Chrono
Executive
Budget Officer

SECRET

*authorization signed by
DCI is filed under
"Delegation of Authority,
Signatures" (314C)*